

The rejected claims are directed at a method or apparatus implementing an auction for television licenses or associated derivative rights. The claims specify that the auctioneer's system receives bid information. The auctioneer's system determines "whether the auction should continue or terminate" or includes "means for determining, based on the signals, the television licenses or associated derivative rights to be assigned to the bidders". The method claims include steps of similar subject matter. The Office Action asserts that the ONSALE publication includes "decision means responsive to the bid information in determining whether or not an auction should continue or terminate".

Applicant has reviewed the ONSALE publication with care but fails to recognize any disclosure or suggestion of the claimed decision means or step of determining. The ONSALE publication makes it clear that it uses the World Wide Web to provide a unique retail service. The publication goes on to indicate that somehow consumers can experience the excitement of bidding at an auction. The ONSALE publication indicates that merchandise will be sold using one of three formats, standard auctions, Dutch auctions and mark-downs. The text continues:

"In a standard auction, an item is placed on sale for a fixed time period and sold to the highest bidder. Dutch auctions occur when a number of identical items are offered for sale at the same time. The highest bidders purchase the available inventory at the lowest successful bidder's price. ONSALE's marked down merchandise decreases in price in time intervals. Customers can buy marked down items at the current posted price, or can wait until the next time interval, which may be hours or days, when the offering price goes down".

The ONSALE publication does not disclose that the continuation or termination of an auction is based on bids, signals (representing bids) or bid information.

Contrary to the claimed subject matter, in the case of the “standard auction”, the publication explicitly states the standard auction continues for a “fixed time period” and then terminates. This is about as far from the claimed subject matter as is conceivable!

The determination of whether to continue or terminate the “Dutch auction” and “Mark-down” is not disclosed at all. Moreover, the “mark-down” appears to be a non-auction method for selling merchandise, and is not relevant to the subject matter of the application for this additional reason.

The publication goes on to describe that “customers may bid and buy at will” and that regardless of a customer’s bid “all bids are proxy bids, i.e., the actual price paid for an item is never more than one price increment above the second highest bid on the item”. While the publication asserts that ONSALE is “an interactive retail service” there is no other description of any agency or mechanism which decides or determines whether an auction shall continue or not or “the television licenses or associated derivative rights to be assigned to the bidders” or the like. For all that is described in the publication, the World Wide Web elements are merely used as a communication system for passing information from the users to an individual who determines or decides whether an auction shall continue or terminate or the like. More importantly, there is no description or suggestion of any “decision means responsive to the bid information for determining whether an auction should continue or terminate” nor is there any description of a computer-implemented step of determining “whether the auction should continue or terminate”. Each of claims 50-60, 67, 74, 81 and 84 calls for “decision means” or the computer implemented step of “determining”. No such subject matter is found in the ONSALE publication. Based on the foregoing, applicant submits that each of the claims in the application is patentable for at least this reason.

The Office Action acknowledges that each of the claims is directed to a method or system for auctioning “television licenses or associated derivative rights”. It further acknowledges that the reference has no such disclosure. The Office Action alleges:

“These kinds of data do not affect the functionality of the system of ONSALE as these are merely different types of data that cannot be accorded patentable differences. These are different intended types of “items”, “things” or “objects” that would have been obvious to the skilled artisan “...”.

While the Office Action alleges that the ONSALE publication makes the auction of “television licenses or associated derivatives rights” obvious, the Office Action fails to suggest a basis for the obviousness conclusion. The CAFC has indicated that before a conclusion of obviousness can be reached, there must be some suggestion or motivation to this end. The court has suggested that the suggestion on motivation can either “come from the references themselves, the nature of the problem being solved, or the knowledge of persons skilled in the art” In re Rouffet, 149 Fed. 3rd 1350, 1357 (Fed. Cir. 1998). If the Examiner persists in a rejection based on 35 USC 103, applicant respectfully requests some indication of whether or not the obviousness is based on “the references”, “the nature of the problem being solved” or “the knowledge of persons skilled in the art” and any basis for that assertion. In the absence of a rationale and/or a basis for the allegation of obviousness, applicant requests reconsideration and allowance of all claims.

Claims 54, 61, 68, 75, 83 and 86 specify that the bid information includes a value parameter P_i and an associated license subset identification S_i , where the latter parameter “identifies a set of licenses”. In the Office Action these claims were rejected on the basis that this kind of data does not affect the functioning of the system. The assumption in the Office Action that the data is non-functional is simply wrong. Each of the independent claims which calls for means for determining or determining whether or not the auction should continue, bases that determination on the bid information. These dependent claims (54, 61, 68, 75, 83 and 86) specify the bid information. It is this bid information on which the decision to continue or not to continue the auction is based. This is the antithesis of non-functional components since it is this data which drives the operation of the auction. In view of the fact that no such subject matter is

found in the reference, applicant submits that claims 54, 61, 68, 75, 83 and 86 are patentable for this additional reason.

Claims 57-58, 64-65, 71-72, 78-79, 82 and 85 specify that the auction is conducted in multiple rounds. The Office Action argues that it “would have been obvious” to run the ONSALE auction in multiple rounds. The Office Action fails, however, to provide any nexus or rationale for the conclusion. In the absence of such a nexus or rationale, an allegation of obviousness is not well founded, In re Rouffet, 149 Fed. 3rd 1350, 1357 (Fed. Cir. 1998). On this additional basis, applicant asserts that claims 57-58, 64-65, 71-72, 78-79, 82 and 85 are patentable.

Claims 66 and 80 provide specifics for the determining step of their respective parent claims. Claims 66 and 80 specify that the determining “compares the sum of the parameters P_i from the selected bids to a function of the sum of the parameters P_i of an earlier round of selected bids”. No such subject matter is found in the ONSALE reference. The Office Action alleges that this subject matter would have been obvious. However, contrary to the requirements laid down In re Rouffet, the Office Action fails to provide a basis for the obviousness conclusion. Applicant submits that there is no reasonable basis for alleging that the subject matter of claims 66 and 80 would have been obvious to a person skilled in the art based on the ONSALE publication. Applicant submits, therefore, that claims 66 and 80 are patentable for at least this additional reason. A |

Claim 53 calls for means for transmitting final and non-final messages to the user systems. Claim 60 specifies at least two steps comprising sending messages to user systems, one message indicating that the auction will continue and another indicating that the auction will terminate. While the ONSALE publication describes using the Internet as a communication system connecting auctioneer’s system and user systems, there is no indication that messages are involved and no indication of the two different types of messages. For this additional reason, applicant asserts that these claims patentably define over the reference.

Applicant has reviewed the references cited of interest but not relied on and concurs with the Examiner's determination that the subject matter of these references does not affect the patentability of any of the claims presented in the application.

In view of all of the foregoing, early and favorable reconsideration is solicited.

The Commissioner is hereby authorized to charge any additional fees which may be required for the timely consideration of this amendment under 37 C.F.R. §§ 1.16 and 1.17, or credit any overpayment to Deposit Account No. 13-4503, Order No. 3788-7004US1.

Respectfully submitted,

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